

Agricultural Business/Economics

Agricultural Business/Economics contains standards that address the economic principles necessary for a successful business. As technology improves the ability to communicate, philosophies on marketing and production must change in order for industries to remain competitive.

Pre-requisite: Any course from the agribusiness sub-cluster

Recommended Credit: 1

Recommended Grade Levels 11th, 12th

* All learning expectations must be met for the 1 credit in this course.

Agricultural Business/Economics

Standard 1.0

The student will analyze the basic principles of economics.

Standard 2.0

The student will demonstrate skills in financial management.

Standard 3.0

The student will analyze marketing trends for agricultural products.

Standard 4.0

The student will evaluate basic principles of economic regulations and compliance.

Standard 5.0

The student will integrate academic competencies into agricultural business and economics.

Standard 6.0

The student will develop premier leadership and personal growth needed for careers in agricultural business and economics.

Course Description:

This course addresses basic economic principles that govern agricultural production in the United States and the world. Students will also evaluate national and international policies, regulations and values that affect the production and trade of agricultural commodities.

Standard 1.0:

The student will analyze the basic principles of economics.

Learning Expectations:

The student will:

- 1.1 Specify basic terminology used in agricultural economics.
- 1.2 Specify the major components of the free enterprise system.
- 1.3 Examine how agriculture utilizes scarce resources to meet consumers needs and demands.
- 1.4 Apply the Law of Supply and Demand to agriculture production.
- 1.5 Evaluate the effects of monetary, fiscal and international policy on the agricultural industry.

Evidence Standard is Met:

The student will:

- Differentiate basic terminology used in agricultural economics.
- Compare the free enterprise system to other economical systems.
- Analyze how the use of scarce resources to produce agricultural commodities has changed over time.
- Explain how the Law of Supply and Demand affects agricultural commodity prices.
- Analyze how agricultural trade and commodity prices are affected by monetary, fiscal and international policies.

Integration/Linkages

Mathematics, Economics, Chicago Board of Trade Commodity Marketing Activity, SCANS (Secretary's Commission on Achieving Necessary Skills), Marketing, Social Studies

Sample Performance Tasks:

- Summarize basic terminology in agricultural economics.
- Debate the advantages and disadvantages of the free enterprise system, compared to other economical systems.
- Determine how the supply of agricultural products has changed to meet the demand of consumers.
- Assess the use of scarce resources in the community for agricultural production.
- Propose how the agricultural industry has changed due to changes in governmental policies.

Standard 2.0

The student will demonstrate skills in financial management.

Learning Expectations:

The student will:

- 2.1 Differentiate methods of depreciating capital goods.
- 2.2 Evaluate types of accounting systems used in agriculture.
- 2.3 Analyze principles used in determining national income and production.
- 2.4 Compare terms associated with cash flow, income and balance sheet statements.
- 2.5 Analyze investment strategies used in the agricultural industry.

Evidence Standard is Met:

The student will:

- Recommend three methods of figuring depreciation.
- Compare the advantages and disadvantages of cash versus accrual accounting.
- Analyze data on national production, income and debt.
- Complete an income statement and balance sheet.
- Recommend investment strategies for personal and corporate use.

Integration/Linkages

Economics, Accounting, Mathematics, SCANS (Secretary's Commission on Achieving Necessary Skills)

Sample Performance Tasks:

- Calculate depreciation on a selected item of equipment.
- Recommend the appropriate accounting system for a local agribusiness.

- Determine variables responsible for the change in gross national product and national debt over the past century.
- Complete and analyze income, expense and net worth statements.
- Develop a yearly personal budget.
- Chart the growth of an investment, over time, using historical figures of different investment strategies.

Standard 3.0

The student will analyze marketing trends for agricultural products.

Learning Expectations:

The student will:

- 3.1 Evaluate the marketing system the agricultural industry operates under.
- 3.2 Summarize terms associated with marketing and marketing trends.
- 3.3 Compare different market channels for agricultural products.
- 3.4 Compare how agricultural commodities are produced, processed and distributed.
- 3.5 Examine the role of agricultural industries in marketing agricultural products.
- 3.6 Evaluate how the law of comparative advantage affects agricultural production.
- 3.7 Evaluate how the values of different cultures affect the production and marketing of agricultural products.

Evidence Standard is Met:

The student will:

- Compare the various types of competition in a free-market society.
- Determine marketing trends for agricultural products in today's society.
- Differentiate between types of commodity marketing, futures, and trading.
- Determine market channels for agricultural products locally, regionally and globally.
- Determine how agricultural industries influence the marketing of agricultural products.
- Assess how the law of comparative advantage has helped regionalize agricultural production in the U.S.
- Analyze agricultural marketing practices in various parts of the world.

Integration/Linkages

Mathematics, Economics, Social Studies, SCANS (Secretary's Commission on Achieving Necessary Skills)

Sample Performance Tasks

- Determine the type of market structure a local farmer operates under.
- Specify how basic terminology in agricultural marketing is used.
- Debate the pros and cons of comparative advantage on American agriculture.
- Chart or graph local agricultural commodity prices.
- Graph national agricultural commodity prices.
- Chart how regions of the U.S. and the world use comparative advantage to produce agricultural products.
- Demonstrate the use of on-line commodity purchases.
- Conduct a market analysis of an agricultural product.
- Chart business information that affects new types of products.
- Develop a production plan, marketing strategy and advertising campaign for a newly designed agricultural product for a domestic and a foreign market.
- Analyze the data from commodity prices and market futures.
- Prepare a chart that organizes how agricultural products reach the marketplace.

Standard 4.0

The student will evaluate basic principles of economic regulations and compliance.

Learning Expectations:

The student will:

- 4.1 Evaluate laws and government policies that affect agricultural businesses.
- 4.2 Analyze the role government agencies, businesses and private industries serve in the economic system.
- 4.3 Evaluate the benefits and costs of allocating public resources for agricultural production.
- 4.4 Examine the importance of using government programs to supplement agricultural production.

Evidence Standard is Met:

The student will:

- Determine the effects governmental regulations have on agricultural production.
- Compare three agriculture assistance agencies in the local community.

- Determine the historical use and propose future uses of public resources and funds to supplement agricultural production.
- Relate current agricultural policy to global trade issues.

Integration/Linkages

Mathematics, Economics, National FFA Guidelines for Agricultural Issues Forum, U.S. Department of Agriculture, Social Studies, Marketing, SCANS (Secretary's Commission on Achieving Necessary Skills)

Sample Performance Tasks

- Evaluate five agencies that provide agricultural assistance.
- Access the USDA through the Internet to acquire information of government regulations.
- Participate in the FFA Agricultural Issues Forum to debate current agricultural topics.
- Debate the advantages and disadvantages of current trade agreements.
- Analyze local, state, federal and international regulatory issues for agriculture.
- Analyze public and private organizations that help promote a business's success.
- Prepare charts reflecting industry standards and grades for agricultural products.

Standard 5.0

The student will integrate academic competencies into agricultural business and economics.

Mathematics:

The student will:

- 5.1 Graph supply and demand lines for agricultural commodities.
- 5.2 Calculate production costs for agricultural production, using fixed and variable costs.
- 5.3 Use algebraic equations in determining economies of size.
- 5.4 Use principles of accounting to complete financial statements for an agricultural business.

Language Arts:

The student will:

- 5.5 Use principles of debate for discussing agricultural topics.
- 5.6 Use proper grammar and punctuation in presenting written proposals.

Evidence Standard is Met:

The student will:

- Analyze the effect of different production strategies on the profit margins of agricultural industries.
- Calculate financial reports used in agricultural businesses.
- Utilize communication skills to promote agricultural businesses.

Integration/Linkages

Mathematics, Language Arts, Marketing, SCANS (Secretary's Commission on Achieving Necessary Skills)

Sample Performance Tasks

- Summarize production techniques used in agriculture.
- Develop promotional materials for agricultural commodities.
- Provide financial information on the profitability of agricultural businesses.

Standard 6.0

The student will develop premier leadership and personal growth needed for careers in agricultural business and economics.

Learning Expectations:

The student will:

- 6.1 Practice public speaking abilities through oral presentations and participating in career development events.
- 6.2 Evaluate supervised agriculture experience projects (SAEP) related to agribusiness.
- 6.3 Develop public relations and citizenship skills necessary to be productive in agribusiness careers.
- 6.4 Develop work ethics and team building skills used in industry today.

Evidence Standard is Met

The student will:

- Prepare a presentation promoting a local agribusiness to a small group.

- Propose an SAEP that could lead into a business operation.
- Debate current developments in agribusiness.
- Demonstrate team-building skills used in agricultural industries.

Integration/Linkages

Language Arts, Computers, SCANS (Secretary's Commission on Achieving Necessary Skills), National FFA Guidelines for Parliamentary Procedure CDE, National FFA Guidelines for the Farm Business Management CDE, Guidelines for the Chicago Board of Trade, Commodity Marketing Event, National FFA Guidelines for Community Education Programs

Sample Performance Tasks

- Lead a group through a mock business meeting, using parliamentary procedure rules and abilities.
- Prepare a six to eight minute presentation on agribusiness.
- Debate a current agribusiness topic.
- Set up a SAEP in class that could be done by students.
- Participate in the Chicago Board of Trade, Commodity Marketing Activity Event.
- Participate in the Farm Business Management Career Development Event.
- Participate in the FFA Food for America program.
- Participate in the FFA Farm Safety Just 4 Kids program.
- Participate in the America Reads Challenge program.
- Participate in the FFA Partners for a Safer Community program
- Participate in the FFA PALS program.